

SECURITIES AND EXCHANGE COMMISSION
Washington

Summary of SEC Releases, Wednesday, July 11, 1956
Prepared for Press Use - Not for Quotation

Securities Act Release No. 3657

The Securities and Exchange Commission has issued orders temporarily suspending Regulation A exemptions from registration under the Securities Act of 1933 with respect to public offerings of securities of the following:

- (1) Goldfield Uranium, Inc., Goldfield, Nevada
Regulation A notification, filed September 9, 1954, proposed the public offering of 1,000,000 shares of common stock at 5¢ per share.
- (2) International Sound Films, Inc., Atlanta, Georgia
Regulation A notification, filed September 8, 1955, proposed the public offering of 560 shares of \$10.00 par value common stock and 300 shares of \$100.00 par value 6% preferred stock, both classes to be offered at par.
- (3) Neva-Utex Uranium, Inc., Goldfield, Nevada
Regulation A notification, filed July 15, 1955, proposed the public offering of 4,000,000 shares of common capital stock at 5¢ per share.
- (4) United Business Underwriters, Ltd., Salt Lake City, Utah
Regulation A notification, filed November 27, 1953, proposed the public offering of between 130,680 and 163,350 shares of Class A \$1 par common stock, the offering first to be made to debenture-holders in exchange for outstanding debentures, with unexchanged shares offered for public sale at \$1.25 per share.

The orders provide an opportunity for hearing, upon request, on the question whether the suspensions should be vacated or made permanent.

Regulation A provides a conditional exemption from registration under the Securities Act for offerings of securities not exceeding \$300,000 in amount. One of the conditions to the availability of an exemption is a requirement for the filing of semi-annual reports of the sale of securities and the use to which the proceeds were applied. With respect to International and United, the Commission's orders assert that the issuing companies have failed to file reports of stock sales and have ignored requests for such reports.

Concerning Goldfield and Neva-Utex, the Commission's suspension order asserts that Scott W. Hockensmith, a promoter and director of Goldfield and a promoter, director and officer of Neva-Utex, and Howard Hockensmith, a promoter, director and officer of both companies, have been convicted of a crime and offense involving the sale of a security; more particularly, that the said

individuals were convicted on April 23, 1956, in the Superior Court of the State of California, in and for the County of Los Angeles, of violation of Section 26104(a) of the California Corporations Code, which prohibits the issuance or sale of any security in violation of the provisions of Division 1, Title 4, of said California Corporations Code. Regulation A provides that the Commission may suspend an exemption from registration if an officer, director or promoter (among others) of the issuing company has been convicted of a law violation involving the purchase or sale of a security. The Commission's order further asserts that there is reasonable cause to believe that the terms and conditions of Regulation A have not been complied with by Neva-Utex, in that it has been offering and selling its securities in a jurisdiction not stated in its notification.

Investment Company Act Release No. 2387

The S.E.C. today announced the issuance of a decision exempting from the provisions of the Investment Company Act of 1940 certain transactions incident to a merger of Sunset Oil Company into and with International Mining Corporation, a registered investment company, which is to be the surviving company under the name of Sunset International Petroleum Corporation.

The merger agreement provides that the stockholders of Sunset will receive 3 shares of \$1 par value common stock of the surviving company for each share of Sunset, and the present stockholders of International will continue to hold their shares as shares of the surviving company.

In granting the exemption sought by the merging companies, the Commission found that "the terms of the proposed merger, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and that they are consistent with the general purposes of the Act."

Holding Company Act Release No. 13220

American Gas and Electric Company, New York holding company, has joined with two of its subsidiaries, Appalachian Electric Power Company and Flat Top Power Company, in the filing of an application with the SEC for approval of the sale of Flat Top's assets to Appalachian; and the Commission has issued an order giving interested persons until July 24, 1956 to request a hearing thereon.

All of the outstanding securities (1,900 shares of common stock) of Flat Top are owned by Appalachian, all of whose common stock is owned by American. It is proposed that the assets of Flat Top be acquired by Appalachian, after which Flat Top will be dissolved. The proposal contemplates (1) the transfer by Flat Top and the acquisition by Appalachian of all of Flat Top's assets which amounted to \$133,84 at March 31, 1956, and the rendering of service by Appalachian in the area theretofore served by Flat Top; (2) the issuance by Appalachian, and the acquisition by Flat Top, of 10,000 shares of Appalachian's common stock, and the assumption by Appalachian of all of Flat Top's liabilities, which amounted to \$8,140 on that date; and (3) the liquidation and dissolution of Flat Top and the transfer to American of the 10,000 shares of Appalachian common.

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Securities Exchange Act Release No. 5334

The SEC today announced the issuance of a decision revoking the broker-dealer registration of Frank A. Hernberg, doing business as Augustine & Company, Boston, for wilful violations of the Securities Exchange Act of 1934 and SEC rules thereunder. The Commission found, upon the basis of admissions by the respondent, (1) that for nearly four years past his books and records did not reflect indebtedness to customers aggregating \$35,000, which arose out of transactions prior to 1952 and was evidenced by agreements under which he promised to pay them that amount within three years; and (2) that he filed financial reports with the Commission for the years 1953, 1954 and 1955 which failed to disclose this \$35,000 liability. The Commission concluded, in view of these violations of the Exchange Act and its rules thereunder, that it was in the public interest to revoke respondent's broker-dealer registration.

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Edison Brothers Stores, Inc., St. Louis, Mo., today filed a registration statement (File 2-12646) with the SEC seeking registration of 45,000 shares of its \$1 par Common Stock, to be offered under its Restricted Stock Option Plan for sale to key employees of the company and its subsidiaries.

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